

Date 12 MAR 1982

ROUTING AND TRANSMITTAL SLIP

TO: (Name, office symbol, room number, building, Agency/Post)

| | Initials | Date |
|-----------------------------------|--------------------|-------------|
| 1. ADDI | <i>[Signature]</i> | 15 MAR 1982 |
| 2. DDI | <i>[Signature]</i> | 15 MAR 1982 |
| 3. <i>mc</i> DDCI | <i>[Signature]</i> | 18 MAR 1982 |
| 4. DDI <i>mc</i> D/ICS | <i>[Signature]</i> | 18 MAR 1982 |
| 5. DCI <i>mc</i> 3/18 | <i>[Signature]</i> | 18 MAR 1982 |

| Action | File | Note and Return |
|--------------|----------------------|------------------|
| Approval | For Clearance | Per Conversation |
| As Requested | For Correction | Prepare Reply |
| Circulate | For Your Information | See Me |
| Comment | Investigate | Signature |
| Coordination | Justify | |

REMARKS

Response to Secretary Watt/
Interior re World Energy
Program

E.S. 3/14
All issues which made commitments on future budgets or Intelleguies shall be cleared with the D/ICS prior to going to the D.C.I. DONE

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

| | |
|--|----------------|
| FROM: (Name, org. symbol, Agency/Post) | Room No.—Bldg. |
| OD/OGI 3G00 | Phone No. |

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|-------------------------|----------------|------------------|
| TRANSMITTAL SLIP | | DATE 12 MAR 1982 |
| TO: ER | | |
| ROOM NO. | BUILDING | |
| REMARKS: | | |
| FROM: OD/OGI | | |
| ROOM NO. 3G00 | BUILDING hq | EXTENSION |

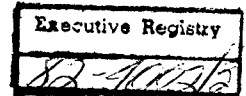
FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

DDI- 18601-82/1

12 MAR 1982



MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA : Deputy Director for Intelligence *pg*

FROM :
Director of Global Issues

STAT

SUBJECT : Proposed DCI Response to the Secretary
of the Interior Regarding Continuation
of the USGS World Energy Program (U)

1. Action Requested. Your signature on the attached reply to Secretary Watt's letter to you of 3 March 1982 regarding continuation of the World Energy Program of the US Geological Survey. (U)

2. Background. On 12 January 1982, you wrote to the Secretary of the Interior urging him to provide funding to continue the USGS World Energy Program. That program has provided useful assistance--in the form of basic geologic analysis--to our assessments of Soviet and Chinese oil supplies. Interior, however, had tentatively decided not to provide funding for it beyond FY 1982. (U)

3. Secretary Watt's reply--which was drafted in USGS by the Director of the World Energy Program--raises three relevant issues:

- o Watt acknowledges the value of the program to CIA and other agencies but suggests that outside funding may be needed to keep the program alive in FY 1983.
- o He suggests that research of genuine mutual interest to CIA and Interior will not require reimbursement, but that new initiatives that serve special interests other than those of his department will need "a cooperative budgetary policy."

C-117

SUBJECT: Proposed DCI Response to the Secretary of the
Interior Regarding Continuation of the USGS
World Energy Program (U)

- o He recommends that a more formal inter-agency mechanism be established to coordinate future World Energy Program activities. (U)

4. Staff Position. The Office of Global Issues has coordinated its proposed response with the DDI Planning and Management Staff. (U)

5. Recommendation. Watt's response represents a substantial revision of his earlier position, which favored ending the World Energy Program. Parts of that program--those dealing with Soviet energy--remain of great value to us. On the other hand, DDI does not have sufficient funds available in its projected budget for external analysis in FY 1983 to provide much help. (We might be able to contract [redacted] of work to USGS; the World Energy Program needs \$1.5 million per year.) We therefore recommend that CIA accept the spirit of Secretary Watt's offer to continue the program and agree to participate with other agencies on a coordinating committee. We also recommend, however, that the Agency avoid making any specific financial commitments but agree to explore the matter. My Office will be glad to take the lead in following up on this last issue. (U)

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Attachment:
As stated

Distribution:

Orig - addressee

- 1 - DCI
 - 1 - DDCI
 - 1 - ER
 - 1 - DDI
 - 1 - ADDI
 - 1 - DDI Reg
 - 1 - OD/OGI
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 - 1 - OGI/ED/PSA
- | | |
|-----------------|--|
| 1 - Comptroller | |
| 1 - ExDir | |

OGI/ED/[redacted] (11 Mar '82)

STAT